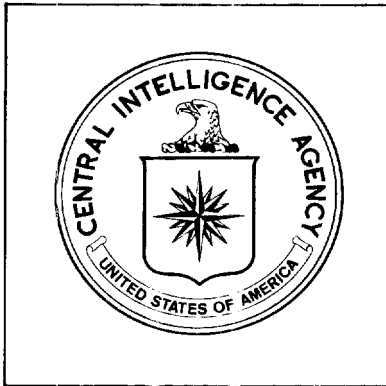


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No. 0675/75
May 21, 1975

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MIDDLE EAST – AFRICA – SOUTH ASIA

This publication is prepared for regional specialists in the Washington community by the Middle East - Africa Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Senegal

Senghor Visit To US

1,2 Senegalese President Senghor, who meets Thursday with President Ford, is one of Africa's elder statesmen and a major leader among West Africa's moderate French-speaking states. He is also an internationally known poet and exponent of negritude, an assertion of black dignity and African cultural worth.

2 Now 68 and in his fourth presidential term since Senegal became independent in 1960, Senghor has dominated his country's political scene for nearly 25 years. While his government has provided Senegal with considerable stability, it has been unable to achieve much in the way of economic growth. Senghor's durability--he is the Roman Catholic leader of a predominantly Muslim country--reflects his talent for balancing Senegal's many rival interests and for reconciling political foes. Although Senegal is in effect a one-party state and committed to a form of socialism, Senghor tolerates some legal opposition and allows private enterprise to play a wide role in the country's economy.

The slow pace of change in Senegal and Senghor's enduring affection for France continue to draw occasional fire from perennially discontented Senegalese students and workers. In an effort to undercut his critics, Senghor is now pursuing more nationalist policies and he has vested greater authority in young technocrats such as Prime Minister Diouf. He has negotiated a revision of Senegal's cooperation pacts with France to put the two countries' relations on more equal footing, without sacrificing the vital economic benefits Senegal receives from Paris.

In foreign affairs, Senghor tries to project Senegal as a non-aligned state and himself as a leader in African and Third World politics. Senghor has long cultivated

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relations with Asian Communist regimes and has permitted a PLO information office to operate in Dakar. He recently hosted a developing countries' conference on commodities that endorsed Algeria's militant demands for a new world economic order, although Senghor himself prefers to avoid confrontation tactics to win the desired changes.

Senghor has actively sought peaceful solutions to African and world problems. He gives qualified support to the idea of "dialogue" with South Africa, and last year he met privately with Prime Minister Vorster in Ivory Coast along with Ivorian President Houphouet-Boigny. Last year Senghor also played a mediating role in helping to arrange the talks between Lisbon and rebels in Portuguese Guinea that culminated in independence for Guinea-Bissau. Senegal participates in the UN's Middle East peacekeeping force, and Senghor has often tried to act as a go-between for Israel and the Arabs.

Senegal's limited economic resources have caused Senghor to participate in a number of modest economic groupings with the governments of other French-speaking African states. The Senegalese economy, which was only beginning to recover from years of Sahel drought, has now been hard hit by inflation and rising energy costs. The country's trade balance continues to record substantial deficits, despite recent record prices for peanuts and phosphates, Senegal's main exports. An associate state of the European Community, Senegal has been kept afloat largely by aid from the EC and France. Senghor is currently promoting several ambitious industrial projects and has arranged a joint venture with Iran to build a \$250 million port, oil refinery and phosphate mining complex.

Senegalese-US relations are generally good and Senghor appreciates our modest development program and US emergency drought assistance. He wants a long-term US aid commitment

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2) for the regional Organization of Senegal River States which Senegal, Mauritania, and Mali have set up to develop the resources of the Senegal River basin. He also seeks greater American investment and trade, but appears to favor continuing some form of reverse tariff preferences for France and the other EC countries.

Like other African moderates, Senghor is looking for signs of greater US flexibility on commodity issues. He also believes that the US could do more to bring about majority rule in Rhodesia and Namibia and to end apartheid in South Africa. (CONFIDENTIAL)

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Nigeria

Lagos Emerging As A Modest Aid Donor

The Caribbean Development Bank has become the latest beneficiary of the modest aid effort that Nigeria has mounted in recent years to advance its claims to leadership in Africa and its international prestige. General Gowon announced a \$2.5 million loan to the bank upon his return from the recent Commonwealth heads of state conference in Jamaica and official visits to Barbados, the Bahamas, and Guyana.

Since 1972, Nigeria has extended approximately \$380 million in known loans and grants to individual governments and international financial institutions. Of this total, Nigeria has lent \$240 million to the World Bank, and \$120 million to the International Monetary Fund's special oil facility that makes loans to countries to help cover their oil import requirements. The remaining \$20 million has been distributed largely in Africa, particularly to the countries of West Africa and to regional organizations such as the Organization of African Unity and the African Development Bank.

Nigeria, black Africa's most populous country, is using the bulk of its oil wealth--oil earnings totalled \$8.9 billion in 1974--to finance domestic development programs aimed at improving the lot of its own citizens whose per capita income averages less than \$300 per year. The military government is determined not to let its aid activities become a drain on the treasury. In the future, General Gowon has said that Nigeria will emphasize loans to development banks rather than bilateral assistance. The Nigerians probably feel that development banks are in a better position to ensure that the loans will be used for the purposes given and that they will be repaid.

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Pakistan

Another Political Victory for Bhutto

1, 3 Prime Minister Bhutto's Pakistan People's Party fared extremely well in elections last weekend in Azad ("Free") Kashmir, a semi-autonomous part of the Pakistani-controlled portion of Kashmir. The party won an absolute majority--22 of 42 seats--in the Azad Kashmiri legislature. Many of the other seats are believed to have been won by parties allied to the People's Party. The party's local leader, Abdul Hamid Khan, is now expected to become Azad Kashmir's prime minister.

1 In a separate but simultaneous ballot, a candidate supported by the People's Party was elected as Azad Kashmir's president. Under a new local constitution, the office of prime minister becomes more important than the presidency.

3 The victory for Bhutto's party, which had not generally been thought to enjoy wide support in Azad Kashmir, followed weeks of campaigning and maneuvering by his political lieutenants there. The party's prospects received a major boost on the eve of the elections when Bhutto's main opponent in the region, Sardar Qayyum Khan, announced that he and his party would boycott the elections. Qayyum, a popular figure in Azad Kashmir and until recently its president, claimed the elections had been rigged to ensure his party's defeat. Qayyum's charges might have some validity; twelve of the seats were filled by balloting among Kashmiris now living in Pakistan proper, and Bhutto's government could have manipulated the situation to ensure a favorable outcome in those contests.

3 Politics in Azad Kashmir are following a pattern that has prevailed in other parts of the country in which Bhutto's People's Party lacks a broad popular base.

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3 In Pakistan's two western frontier provinces, Baluchistan and the North-West Frontier Province, Bhutto's party, through energetic politicking and liberal use of central government resources, has managed to retain control of the provincial governments in recent years despite opposition from local groups that resist domination from Islamabad. The new regime in Azad Kashmir will probably be much more malleable, from Bhutto's standpoint, than was former president Qayyum, whose generally independent stance toward Islamabad, orthodox Muslim outlook, and hard-line attitude toward India all displeased Bhutto. The man expected to become prime minister is a brother of federal Interior Minister Qayyum Khan, a leading member of Bhutto's cabinet. (CONFIDENTIAL)

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